

SEC. 612. OVERSEAS COST OF LIVING ALLOWANCE.

(a) Payment of Allowance Based on Overseas Location of Dependents- Section 405 of title 37, United States Code, is amended by adding at the end the following new subsection:

` (e) Payment of Allowance Based on Overseas Location of Dependents- In the case of a member assigned to duty inside the continental United States whose dependents continue to reside outside the continental United States, the Secretary concerned may pay the member a per diem under this section based on the location of the dependents and provide reimbursement under subsection (d) for an unusual or extraordinary expense incurred by the dependents if the Secretary determines that such payment or reimbursement is in the best interest of the member or the member's dependents and in the best interest of the United States.'.

(b) Clarification of Expenses Eligible for Lump-Sum Reimbursement- Subsection (d) of such section is amended--

(1) in the subsection heading, by striking `Nonrecurring' and inserting `Unusual or Extraordinary';

(2) by inserting `or (e)' after `subsection (a)' each place it appears; and

(3) in paragraph (1)--

(A) by striking `a nonrecurring' and inserting `an unusual or extraordinary' in the matter preceding subparagraph (A); and

(B) in subparagraph (A), by inserting `or the location of the member's dependents' before the semicolon.